ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO.: 315664 NAME: Benjamin Haber, Esq; Alan Wilcox (SBN 287476); Karen Wallace (SBN 272309) FIRM NAME: Wilshire Law Firm, PLC STREET ADDRESS: 660 South Figueroa Street, Sky Lobby CITY: Los Angeles STATE: CA ZIP CODE: 90017 TELEPHONE NO.: (213) 381-9988 FAX NO.: (213) 381-9989 E-MAIL ADDRESS: benjamin.haber@wilshirelawfirm.com; karen.wallace@wilshirelawfirm.com ATTORNEY FOR (*name*): Plaintiff Oscar Mejrado	*FOR COURT USE ONLY*
SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE STREET ADDRESS: 700 Civic Center Drive MAILING ADDRESS: 700 Civic Center Drive CITY AND ZIP CODE: Santa Ana, 92701 BRANCH NAME: Civil Complex Center	
PLAINTIFF/PETITIONER: Oscar Mejorado DEFENDANT/RESPONDENT: Rainbow Sandals, Inc OTHER:	CASE NUMBER: 30-2022-01283098-CU-OE-CXC JUDICIAL OFFICER: Melissa R. McCormick
PROPOSED ORDER (COVER SHEET)	DEPT: CX-105

NOTE: This cover sheet is to be used to electronically file and submit to the court a proposed order. The proposed order sent electronically to the court must be in PDF format and must be attached to this cover sheet. In addition, a version of the proposed order in an editable word-processing format must be sent to the court at the same time as this cover sheet and the attached proposed order in PDF format are filed.

1. Name of the party submitting the proposed order:
   Plaintiff Oscar Mejorado

2. Title of the proposed order:
   [Proposed] Order Granting Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement

3. The proceeding to which the proposed order relates is:
   a. Description of proceeding: Motion for Preliminary Approval
   b. Date and time: July 16, 2026 at 2:00 p.m.
   c. Place: Dept CX-105 of the Civil Complex Center located at 700 Civic Center Drive, Santa Ana, California, 92701

4. The proposed order was served on the other parties in the case.

Karen Wallace
(TYPE OR PRINT NAME)

▶
(SIGNATURE OF PARTY OR ATTORNEY)

CASE NAME: Oscar Mejorado v. Rainbow Sandals, Inc.	CASE NUMBER: 30-2022-01283098-CU-OE-CXC

PROOF OF ELECTRONIC SERVICE
PROPOSED ORDER

1. I am at least 18 years old and **not a party to this action.**

   a. My residence or business address is *(specify):*
   660 South Figueroa Street, Sky Lobby, Los Angeles, California, 90017

   b. My electronic service address is *(specify):* dariane.rose@wilshirelawfirm.com

2. I electronically served the *Proposed Order (Cover Sheet)* with a proposed order in PDF format attached, and a proposed order in an editable word-processing format as follows:

   a. On *(name of person served) (If the person served is an attorney, the party or parties represented should also be stated.):*
   Greg S. Labate; glabate@sheppardmullin.com, Lauren J. Blaes; lblaes@sheppardmullin.com, & Lyle Chan; lychan@sheppardmullin.com

   b. To *(electronic service address of person served):* Provided in line above

   c. On *(date):* 7/22/2026

[x] Electronic service of the *Proposed Order (Cover Sheet)* with the attached proposed order in PDF format and service of the proposed order in an editable word-processing format on additional persons are described in an attachment.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 7/22/2026

Dariane Rose
(TYPE OR PRINT NAME OF DECLARANT)

(SIGNATURE OF DECLARANT)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

OSCAR MEJORADO, individually, and on behalf of all others similarly situated, Plaintiff, v. RAINBOW SANDALS, INC.; and DOES 1 through 10, inclusive, Defendants.	Case No.: 30-2022-01283098-CU-OE-CXC *[Assigned for all purposes to the Hon. Melissa R. McCormick, Dept. CX-105]* **[PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** <u>PRELIMINARY APPROVAL HEARING</u> Date: July 16, 2026 Time: 2:00 p.m. Dept: CX-105 Complaint filed: September 28, 2022 FAC filed: December 15, 2022 Trial date: Not set

[PROPOSED] ORDER

The Court has before it Plaintiff Oscar Mejorado's ("Plaintiff") Motion for Preliminary Approval of Class Action and PAGA Settlement. Having reviewed the Motion for Preliminary Approval of Class Action and PAGA Settlement, the Declarations of Benjamin H. Haber, Lucy H. Nguyen, Alan Wilcox, and Oscar Mejorado, the Class Action and PAGA Settlement Agreement and Class Notice with the First and Second Amendments (the "Settlement" or "Settlement Agreement"), and good cause appearing, the Court hereby finds and orders as follows:

1. The Court finds on a preliminary basis that the Settlement Agreement, as amended, appears to be fair, reasonable, and adequate, and in the best interests of the Settlement Class and Aggrieved Employees. Accordingly, the Court grants preliminary approval of the Settlement and provisionally certifies the Settlement Class for settlement purposes only, subject to the terms set forth in the Settlement Agreement, a true and correct copy of which is attached hereto as **Exhibit 1**.

2. The Settlement falls within the range of reasonableness of a settlement which could ultimately be given final approval by this Court, and appears to be presumptively valid, subject only to any objections that may be raised at the Final Approval Hearing and final approval by this Court. Pursuant to the terms of the Settlement, Defendant has agreed to create a common fund of $250,000.00 to cover (a) settlement payments to Class Members who do not validly opt out; (b) a $20,000.00 payment in settlement of claims for civil penalties under the California Private Attorneys General Act ("PAGA"), of which 75% ($15,000.00) will be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% ($5,000.00) will be distributed to Aggrieved Employees (on a pro-rata basis); (c) Class Representative Service Payment not to exceed $5,000.00 for Plaintiff Oscar Mejorado; (d) Class Counsel's attorneys' fees, not to exceed $75,000 (30% of the Gross Settlement Amount), and costs not to exceed $15,000.00 for actual litigation expenses incurred by Class Counsel; and (e) Settlement Administration Costs not to exceed $4,995.00, subject to Court approval.

3. The Court preliminarily finds that the terms of the Settlement appear to be within

the range of possible approval, pursuant to California Code of Civil Procedure § 382 and applicable law. The Court finds on a preliminary basis that: (1) the settlement amount is fair and reasonable to the Class Members when balanced against the probable outcome of further litigation relating to class certification, liability and damages issues, and potential appeals; (2) significant informal discovery, investigation, research, and litigation have been conducted such that counsel for the parties at this time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid substantial costs, delay, and risks that would be presented by the further prosecution of the litigation; and (4) the proposed settlement has been reached as the result of intensive, serious, and non-collusive negotiations between the Parties with the assistance of a well-respected class action mediator. Accordingly, the Court preliminarily finds that the Settlement Agreement was entered into in good faith.

4. A final fairness hearing on the question of whether the proposed settlement, attorneys' fees and costs to Class Counsel, payment to the LWDA for its share of the settlement of claims for penalties under PAGA, and the class representative's service payment should be finally approved as fair, reasonable and adequate as to the members of the Class is hereby set in accordance with the Implementation Schedule set forth below.

5. The Court provisionally certifies for settlement purposes only the following Class: "all hourly-paid or non-exempt employees employed by Defendant in California who worked for Defendant at any time during the Class Period."

6. "Class Period" means the period from April 3, 2018, to December 31, 2023.

7. "Aggrieved Employees" means all hourly-paid or non-exempt employees employed by Defendant in California who worked for Defendant at any time during the PAGA Period.

8. The "PAGA Period" means the period from April 3, 2021, to December 31, 2023.

9. The Court finds, for settlement purposes only, that the Settlement Class meets the requirements for certification under California Code of Civil Procedure § 382 in that: (1) the Settlement Class Members are so numerous that joinder is impractical; (2) there are questions of law and fact that are common, or of general interest, to all Settlement Class Members, which

predominate over individual issues; (3) Plaintiff's claims are typical of the claims of the Settlement Class Members; (4) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Settlement Class Members; and (5) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

10. The Court preliminarily appoints as Class Representative, for settlement purposes only, Plaintiff Oscar Mejorado.

11. The Court preliminarily appoints, for settlement purposes only, Benjamin H. Haber, Daniel J. Kramer, and Alan Wilcox of Wilshire Law Firm, PLC as Class Counsel.

12. The Court preliminarily appoints ILYM Group, Inc. as the Settlement Administrator.

13. The Court approves, as to form and content the Class Notice, a true and correct copy of which is attached hereto as **Exhibit 2**. The Court finds on a preliminary basis that plan for distribution of the Class Notice to Settlement Class Members satisfies due process, provides the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.

14. The parties and the settlement administrator are ordered to carry out the Settlement according to the terms of the Settlement Agreement.

15. Any Class Member who does not timely and validly request exclusion from the Settlement may object to the Settlement Agreement in writing, including by using the Objection form provided with the Class Notice, or at the Final Approval Hearing.

16. The Court orders the following Implementation Schedule:

Defendants to provide Class Data to the Settlement Administrator	30 calendar days after notice of entry of the Court's Order granting Preliminary Approval of the Settlement
Settlement Administrator to mail the Class Notice	14 days after receipt of the Class Data from the Defendant
Response Deadline (opt-outs, objections,	60 days after Class Notice is mailed out by

disputes)	the Settlement Administrator
Settlement Administrator provides declaration for Final Approval	At least 14 calendar days before the date by which Plaintiff is required to file the Motion for Final Approval
Deadline to file Motion for Final Approval, Request for Attorney's Fees and Costs, and Class Representative Service Payment	16 court days before hearing on Motion for Final Approval
Final Approval Hearing	**December 10, 2026, at 2:00 p.m**. in Department CX-105. The hearing may be continued to another date without further notice to the Class Members.

17. Pursuant to California Code of Civil Procedure section 664.6, the Court retains jurisdiction over the Parties to enforce the terms of the Settlement Agreement.

18. The Court further ORDERS that, pending further order of this Court, all proceedings in this lawsuit, except those contemplated herein and in the settlement, are stayed.

19. ____
____
____
____.

IT IS SO ORDERED.

DATE:

____
Hon. Melissa R. McCormick
Judge of the Superior Court

Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Oscar Mejorado ("Plaintiff") and Defendant Rainbow Sandals, Inc., ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as the "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *Oscar Mejorado v. Rainbow Sandals, Inc.,* Case No. 30-2022-01283098-CU-OE-CXC initiated on September 28, 2022, and pending in Superior Court of the State of California, County of Orange.

1.2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. "Aggrieved Employee" means an hourly-paid or non-exempt employee employed by Defendant in California who worked for Defendant at any time during the PAGA Period.

1.5. "Class" means all hourly-paid or non-exempt employees employed by Defendant in California who worked for Defendant at any time during the Class Period.

1.6. "Class Counsel" means Benjamin H. Haber and Daniel J. Kramer of Wilshire Law Firm, PLC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8. "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, if applicable, in the form, without material variation, attached as Exhibit 1 and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from April 3, 2018 to December 31, 2023.

1.13. "Class Representative" means the named Plaintiff Oscar Mejorado in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Orange.

1.16. "Defendant" means the named Defendant Rainbow Sandals, Inc.

1.17. "Defense Counsel" means Greg S. Labate, Esq. and Lauren J. Blaes, Esq., of Sheppard, Mullin, Richter & Hampton LLP.

1.18. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) 61st day after service of notice of entry of the Final Approval Order and Judgment; or (b) if a timely appeal, review, or writ is sought from the Judgment, the day after the appellate court affirms the Judgment and issues a remittitur, or the appeal, review, or writ is dismissed or denied, and the Judgment is no longer subject to further judicial review.

1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21. "Gross Settlement Amount" means the amount of $250,000.00 which is the total amount Defendant agrees to pay under the Settlement, subject to Paragraph 8. The

Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administration Expenses Payment.

1.22. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.24. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.25. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.26. "LWDA PAGA Payment" means 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.27. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members on a pro-rata basis as Individual Class Payments.

1.28. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.29. "PAGA Pay Periods" means the number of pay periods worked by the Aggrieved Employees during the PAGA Period.

1.30. "PAGA Period" means the period from April 3, 2021 to December 31, 2023.

1.31. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.32. "PAGA Notice" means, collectively, Plaintiff's September 29, 2022 letter to Defendant and the LWDA and Plaintiff's November 15, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.33. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($5,000.00) and the 75% to LWDA ($15,000.00) in settlement of PAGA claims.

1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.35. “Plaintiff” means Oscar Mejorado, the named Plaintiff in the Action.

1.36. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.37. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.38. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.40. “Released Parties” means: Defendant and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, affiliates, and assigns, and each of them.

1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.42. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Class Notices are re-mailed after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline to submit a Request for Exclusion or Objection to the Settlement or dispute the information in the Class Notice.

1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.44. “Workweeks” means the number of weeks worked by the Class Members during the Class Period.

2. RECITALS.

2.1. On September 28, 2022, Plaintiff commenced this Action by filing a Complaint alleging eight causes of action against Defendant for Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Periods, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures, and Unfair Business Practices. On December 15, 2022, Plaintiff filed a First Amended Complaint adding a ninth cause of action against Defendant for Violation of the Private Attorneys General Act ("PAGA"), Labor Code section 2699, *et seq*. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On September 26, 2023, the Parties participated in an all-day mediation presided over by Monique Ngo-Bonnici, Esq., which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, documents relevant to this case, including Plaintiff's personnel files, a sampling of time and pay data for the Class Members, and policy documents related to Plaintiff's claims. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar"*).

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay $250,000.00 and no more as the Gross Settlement Amount. The Gross Settlement Amount excludes the employer portion of any applicable payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant. It is expressly understood that if the Court awards less than the total amounts requested to be awarded for the Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and/or the Administration Expenses Payment, the difference in such amounts will be added to the Net Settlement Amount.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than $7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the difference in such amount will be added to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for all applicable taxes owed on the Class Representative Service Payment and shall hold harmless the Released Parties, and each of them, from any claim or liability for taxes, penalties or interest arising as a result of the payment. Plaintiff agrees that, upon signing this Agreement, he will not submit a Request for Exclusion to the Settlement Administrator, or any other request to be excluded from the Settlement, and that any such Request for Exclusion by such Plaintiff will be void and of no force or effect.

3.2.2. To Class Counsel: Class Counsel will apply to the Court for a Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be $83,333.33, and a Class Counsel Litigation Expenses Payment of not more than $15,000.00. Defendant will not oppose requests for these payments provided that such request does not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the difference in such amount will be added to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

Defendant's payment of the Class Counsel Fees Payment and Class Litigation Expenses Payment awarded to Class Counsel shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm for attorneys' fees, costs, or expenses in the Action incurred by any attorney on behalf of the Plaintiff and/or the Class Members, and shall relieve Defendant, the Settlement Administrator, and Counsel for Defendant of any other claims or liability to any other attorney or law firm for any attorneys' fees, costs, and expenses to which any of them may claim to be entitled on behalf of Plaintiff and/or the Class Members in this Action.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $7,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $7,500.00, the difference in such amount will be added to the Net Settlement Amount.

3.2.4. To Each Participating Class Member: The Settlement Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member. An Individual Class Payment will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. The Individual Class Payment will be reduced by any required legal deductions or withholdings for each Participating Class Member, provided that such legal deductions or withholdings will not include the employer's share of any payroll taxes.

3.2.4.1. Tax Allocation of Individual Class Payments. 33% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding pursuant to applicable state and federal law and will be reported on an IRS W-2 Form. 33% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for penalties and 34% will be allocated for interests and fees (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on an IRS 1099 Form. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. The Parties make no representations about the tax consequences to the portion of the Individual Settlement Share representing interest and penalties.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive an Individual Class Payment. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $20,000.00 to be paid from the Gross Settlement Amount, with 75% ($15,000.00) allocated to the LWDA PAGA Payment and 25% ($5,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($5,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Parties make no representations about the tax consequences of the Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. If the Court finds the Parties' allocation of proceeds from the Gross Settlement Amount to PAGA Penalties to be insufficient, the Parties expressly reserve the right to amend this Agreement to increase the allocated amount to a level that satisfies the Court's discretion, without increasing the Gross Settlement Amount. Each Individual PAGA Payment will be apportioned as 100% penalties and the Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, as of August 25, 2023, Defendant estimated there were approximately 127 Class Members who collectively worked a total of approximately 16,700 Workweeks, and approximately 75 Aggrieved Employees who worked a total of approximately 2,878 PAGA Pay Periods.

4.2. Class Data. Not later than 30 calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. In no event will the Class Data ever be shared with or provided to Class Counsel. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Prior to the Effective Date, Defendant will not be required to fund the Settlement, in whole or in part, through the Settlement Administrator or any third party. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 21 calendar days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

5.1 Plaintiff's Release. As of the Effective Date, Plaintiff and his respective former, present, and future spouses, representatives, agents, heirs, administrators, successors, and assigns generally, and each and all of them, fully and finally release and discharge Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to his employment with any Defendant and his compensation while an employee of any Defendant ("Plaintiff's Released Claims"). Plaintiff's Released Claims include all claims arising from or related to the Action, including but not limited to state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to provide one day's rest in a seven-day workweek; failure to maintain accurate records, including payroll records; unfair business practices; declaratory relief; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs. Plaintiff's Released Claims also expressly include all claims arising under the California Labor Code (including but not limited to Sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2800, 2802, 2698 *et seq.,* and 2699 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code Section 17200, *et seq.*; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11010, 11040, and 11070; California Code of Civil Procedure, including but not limited to Section 1021.5; the California common law of contract; the FLSA, 29 U.S.C. Section 201, *et seq.*; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. Section 1001, *et seq.* ("ERISA"). Plaintiff Released Claims also include all claims for lost wages and benefits. This release excludes the release of claims not permitted by law..

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights and benefits of California Civil Code Section 1542, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Participating Class Members: As of the Effective Date, Plaintiff and all Participating Class Members, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties, and each and all of them, from the Class Released Claims, as defined herein. The Class Released Claims include all claims, debts, liabilities, demands, actions, or causes of action under state, federal or local law, whether statutory, common law or administrative, that were alleged in the Operative Complaint and/or PAGA Notice, or reasonably could have been alleged based on the factual allegations contained in the Operative Complaint and/or PAGA Notice, including but not limited to all claims for failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties or premium wages; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to maintain accurate records, including payroll records; unfair business practices; declaratory relief; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs. The Class Released Claims also expressly include all claims arising under the California Labor Code (including but not limited to Sections 200-204, 210, 216, 218.5, 218.6, 221, 223, 225.5, 226, 226.3, 226.7, 256, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2698 *et seq.,* and 2699 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code Section 17200, *et seq.*; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Section 11070; California Code of Civil Procedure, including but not limited to Section 1021.5; and the FLSA, 29 U.S.C. Section 201, *et seq.*. This release excludes the release of claims not permitted by law. The time frame of the Class Released Claims shall be the Class Period.

5.3 Release by Aggrieved Employees: As of the Effective Date, Plaintiff, the LWDA, and all Aggrieved Employees, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties from all claims and causes of action for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 (California Labor Code section 2698, *et seq.*) that were alleged in the Operative Complaint and/or PAGA Notice, or reasonably could have been alleged based on the factual allegations contained in the Operative Complaint and/or PAGA Notice, including any and all claims involving any alleged failure to accurately pay for all hours worked, including minimum wages, straight-time compensation, overtime compensation, double-time compensation, and interest, payment for off-the-clock work, calculation of the regular rate of pay, failure to provide meal periods, failure to authorize and permit rest periods, failure to pay proper meal and rest period penalties or premium wages, failure to provide accurate wage statements, failure to timely pay all wages during employment, failure to pay all wages due at separation, failure to maintain accurate records, including records of hours worked and meal periods, failure to reimburse business expenses, and all claims for civil penalties arising under or based upon alleged violations of California Labor Code sections 201-203, 204, 210, 216, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.7, 256, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2698 et seq., 2699 et seq., 2699.3, 2802, and 2810.5, and any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission, and any other PAGA penalty claims whatsoever alleged in the Operative Complaint and/or PAGA Notice, whether known or unknown. Aggrieved Employees only release these claims for the duration of the PAGA Period.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff agrees to prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the

Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, with Spanish translation, if applicable, substantially in the form attached to this Agreement as Exhibit 1. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 If, within thirty (30) calendar days of mailing of the Class Notice, a Class Notice is returned with a forwarding address, not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If, within thirty (30) calendar days of mailing of the Class Notice, a Class Notice is returned without a forwarding address, then within 3 business days of receiving the undeliverable Class Notice, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 For all Class Members whose notice is re-mailed, the deadline for written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 calendar days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Defendant will examine its records to determine whether the person should be included as a Class Member. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Settlement must submit a valid and timely Request for Exclusion to the Settlement Administrator by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means for determining whether a Request for Exclusion had been timely submitted. A Request for Exclusion must be in writing which contains: (1) the Class Member's full name, current address, and last four digits of his/her Social Security number; (2) the case name and number; (3) a clear statement that the Class Member wishes to be excluded from the Settlement; (4) the Class Member's signature and the date of signature. The Parties agree that the Settlement Administrator shall not disclose the last four digits of any Class Member's Social Security number to anyone but the Parties, that such information will be securely held, and that the disclosure of those last four digits to the Parties shall not be used for any purpose except to ascertain the identity of the individual who wishes to exclude himself or herself from the Settlement for administration of this Settlement. The name and last four digits of the Social Security number provided by the Class Member on the Request for Exclusion must match Defendant's records as provided to the Settlement Administrator, or match Defendant's records for that particular Class Member. The name and Social Security number provided by the Class Member will be deemed to match Defendant's records only if: (1) both the first name and the last name and the last four digits of the Social Security number provided by the Class Member match Defendant's records; (2) the first name and the last four digits of the Social Security number provided by the Class Member match Defendant's records and it appears the last name has been changed as a result of a change in marital status or is a shortened or lengthened version of the name that appears in Defendant's records; or (3) the last four digits of the Social Security number and last name match Defendant's records and the first name provided is either a nickname or a shortened or lengthened version of the name that appears in Defendant's records.

7.5.2 If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Member Release under Paragraph 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an

Individual Class Payment or have the right to object to, appeal, or comment on the Settlement. Notwithstanding the foregoing, the Parties agree that there is no statutory or other right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement, which releases the claims enumerated in Paragraph 5.3 above. As such, Non-Participating Class Members who submit a timely and valid Request for Exclusion and who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Class Members will have the opportunity, should they disagree with the number of eligible Workweeks and/or Pay Periods with which they have been credited, as provided in their Class Notice, to dispute such information. All such disputes must be in writing, postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement Administrator, explaining the basis for the dispute and including any supporting documentation showing that the Workweeks credited to him or her is inaccurate. Defendant's records will be presumed determinative, absent credible evidence to rebut the accuracy of the Workweeks credited to a Class Member based thereon. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make a recommendation to the Parties as to which figures should be applied. If the Parties disagree with the Settlement Administrator's recommendation, the dispute will be presented to the Court for determination. The Court will make the final decision on disputes.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members who wish to object to the Settlement may do so by mailing a written objection to the Settlement Administrator, postmarked no later than the Response Deadline. The date of the postmark will be the exclusive means for determining whether an objection has been timely submitted. All objections must be in writing, which includes: (1) the objector's full name, address, last four digits of his or her Social Security number, and signature; (2) the case name and number; (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; and (4) whether the objector is represented by an attorney and providing the contact information of any such attorney. The Parties agree that the Settlement Administrator shall not disclose the last four digits of any Class Member's Social Security number to anyone but the Parties, that such information will be securely held, and that the disclosure of those last four digits to the Parties shall not be used for any purpose except to ascertain the identity of the objector for administration of this Settlement.

If a Participating Class Member objects to this Settlement, the Participating Class Member will remain a member of the Class, and if the Court grants final approval of the Settlement, he or she will be bound by the terms of the Settlement and any Final Approval Order and Judgment. Within three (3) business days of receipt of an objection, the Settlement Administrator shall provide counsel for the Parties with a copy of the objection. No later than thirty (30) calendar days before the Final Approval Hearing, the Settlement Administrator shall provide counsel for the Parties with a complete list of Participating Class Members who have submitted an objection.

7.7.3 Non-Participating Class Members have no right to object to the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including copies of the Settlement Agreement, the Preliminary Approval, the Class Notice, the Final Approval and the Judgment.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel of all Class Members who have submitted a valid and timely Request for Exclusion.

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion.

7.8.4 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of August 25, 2023, (1) there were approximately 127 Class Members and approximately 16,700 Total Workweeks during the Class Period and (2) there were approximately 75 Aggrieved Employees who worked approximately 2,878 Pay Periods during the PAGA Period. Should the actual number of Workweeks during the Class Period increase beyond 10% of the 16,700 Workweeks, Defendant, at its sole discretion, has the option of either: (1) agreeing to increase the Gross Settlement Amount on a pro rata basis according to the number of additional Workweeks over the 10% cap, or (2) agreeing to close the Class Period just before the date the Workweeks exceeds this 10% cap.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If either (i) 10% or more of the Class Members, or, (ii) a number of Class Members whose Individual Class Payments in the aggregate are 15% or more of the Gross Settlement Amount, either opt out of and/or object to the Settlement, Defendant may, at its sole election, rescind the Settlement and all actions taken in its furtherance of it will be thereby null and void. If Defendant exercises this right of recession, it must do so in writing within 30 days of being notified by the Settlement Administrator of this section of the Agreement having been triggered, that is sent to Class Counsel by overnight mail, addressed to: Benjamin H. Haber of Wilshire Law Firm at 3055 Wilshire Blvd., 12th Floor, Los Angeles, CA 90010. If the option to rescind is exercised, then Defendant shall be responsible for all Settlement Administration Costs accrued to that point. If such provision is exercised, the Action will return to its pre-settlement litigation posture.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in good faith to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Effect on Regular Rate or Overtime Compensation. Participating Class Members will receive payment under the Settlement, as determined by the Settlement Administrator in accordance with this Agreement. The Parties agree that this payment is not viewed as additional compensation for purposes of calculating a "regular rate" of pay under California or federal law for the period during which it is received, and no additional overtime compensation is required because of such payment; further, any claim to entitlement to any additional overtime compensation is expressly waived under the terms of this Agreement. No person or entity shall have any claim against Defendant, Defense Counsel, Plaintiff, any Class Members, Class Counsel, or the Settlement Administrator based upon distributions and payments made in accordance with this Agreement, except to enforce the terms of this agreement.

12.2 No Effect on Employee Benefits. The amounts paid under this Agreement to Plaintiff, Participating Class Members, and Aggrieved Employees shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Plaintiff or any Participating Class Members. Such payments do not represent any modification of Plaintiff's and Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Individual Class Payment, Individual PAGA Payment, or Class Representative Service Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

12.3 Plaintiff's Waiver of Right To Be Excluded. By signing this Agreement, Plaintiff is bound by the terms herein stated and further agrees not to submit a Request for Exclusion. Any such Request for Exclusion shall, therefore, be void and of no force or effect. Plaintiff also agrees to not disparage the Settlement to Class Members or encourage, in any way, Class Members to submit or not to submit a Request for Exclusion. In addition, neither Plaintiff nor Class Counsel will initiate any contact with Class Members about the amount or terms of the Settlement.

12.4 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.5 Confidentiality. Plaintiff and Class Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the amount or terms of the Settlement. Plaintiff and Class Counsel may respond to press inquiries by stating the matter has been resolved and refer the press to court filings. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials specifying any material terms relating to the Settlement of the Action, including but not limited to any postings on any websites maintained by Class Counsel and including but not limited to the identity of Defendant and/or any information that identifies Defendant. Any communication about the Settlement to Class Members prior to the Court-approved mailing of the Class Notice will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming Court-approved notice. Plaintiff is prohibited from discussing the terms or the fact of the settlement with third parties other than (1) their immediate family members, and/or (2) their accountants or lawyers as necessary for tax purposes.

12.6 No Solicitation. The Parties separately agree that they and their respective counsel will not solicit or otherwise encourage any Class Member to opt out of or object to the Settlement, or appeal from or seek review of the Court's Preliminary Approval Order, Final Approval Order, or Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.7 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. Plaintiff, on behalf of himself and on behalf of the Class Members and Aggrieved Employees, and Defendant enter into this Agreement based solely upon its terms and not in reliance upon any representations or promises other than those contained in this Agreement.

12.8 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.9 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to accomplish the terms of this Agreement, to use their best efforts to finalize this Agreement, and to use any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of the Agreement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.10 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.11 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.12 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest, and approved by the Court.

12.13 Agreement Binding on Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of each of the Parties.

12.14 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

12.15 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.16 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.17 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.18 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.19 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.20 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Benjamin H. Haber (benjamin.haber@wilshirelawfirm.com)
Daniel J. Kramer (daniel.kramer@wilshirelawfirm.com)
Wilshire Law Firm, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Greg S. Labate (glabate@sheppardmullin.com)
Lauren J. Blaes (lblaes@sheppardmullin.com)
Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626
Telephone: (714) 513-5100
Facsimile: (714) 513-5130

12.21 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*i.e.,* DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.22 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties agree that the period from September 26, 2023 and extending so long as the Settlement has not been revoked or the Court has granted final approval of the Settlement shall not count for purposes of C.C.P. § 583.310, but rather shall extend the period in time in which to try the case by such time plus an additional 6 months pursuant to C.C.P. § 583.330

APPROVED AS TO FORM:

PLAINTIFF:

3/20/2025

DocuSigned by:

DCED087F82ED410...

OSCAR MEJORADO

WILSHIRE LAW FIRM

By:

Benjamin H. Haber
Daniel J. Kramer
Attorneys for Plaintiff

APPROVED AS TO FORM:

DEFENDANT:

RAINBOW SANDALS, INC.

By:______________________________
Name: ____________________________
Title: ____________________________

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ______________________________
Greg S. Labate
Lauren J. Blaes
Attorneys for Defendant

admissible in evidence to prove the existence and contents of this Agreement.

12.22 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties agree that the period from September 26, 2023 and extending so long as the Settlement has not been revoked or the Court has granted final approval of the Settlement shall not count for purposes of C.C.P. § 583.310, but rather shall extend the period in time in which to try the case by such time plus an additional 6 months pursuant to C.C.P. § 583.330

PLAINTIFF:

____
OSCAR MEJORADO

APPROVED AS TO FORM:

WILSHIRE LAW FIRM

By:______________________________
Benjamin H. Haber
Daniel J. Kramer
Attorneys for Plaintiff

DEFENDANT:

RAINBOW SANDALS, INC.

By: ______________________________
Name: Gary R. Longley Jr.
Title: President

APPROVED AS TO FORM:

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ______________________________
Greg S. Labate
Lauren J. Blaes
Attorneys for Defendant

FIRST AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This First Amendment to the Class Action and PAGA Settlement Agreement and Class Notice ("Amendment") is entered into by and between Plaintiff Oscar Mejorado ("Plaintiff") and Defendant Rainbow Sandals, Inc. ("Defendant") (collectively, the "Parties"). The Parties hereby agree to amend the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement") executed by the Parties on or about March 20, 2025 as follows:

Paragraph 1.6 of the Settlement Agreement is hereby amended and now reads as follows:

> 1.6 "Class Counsel" means Benjamin H. Haber, Alan Wilcox, Lucy Nguyen, Conor Gomez, and Daniel J. Kramer of Wilshire Law Firm, PLC.

Paragraph 1.40 of the Settlement Agreement is hereby amended and now reads as follows:

> 1.40 "Released Parties" means: Defendant and each of its past, present and future employees, officers, directors, partners, shareholders, stockholders, parents, and subsidiaries.

Paragraph 1.42 of the Settlement Agreement is hereby amended and now reads as follows:

> 1.42 "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, (b) mail his or her Objection to the Settlement, or (c) dispute the number of Workweeks and/or Pay Period credited to them as provided in their Class Notice. Class Members to whom Class Notices are re-mailed after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline to submit a Request for Exclusion or Objection to the Settlement or dispute the information in the Class Notice.

Paragraph 3.2.1 of the Settlement Agreement is hereby amended and now reads as follows:

> 3.2.1 <u>To Plaintiff</u>: Class Representative Service Payment to the Class Representative of not more than $7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the difference in such amount will be added to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for all applicable taxes owed on the Class Representative Service Payment and shall hold harmless the Released Parties, and each of them, from any claim or liability for taxes, penalties or interest arising as a result of the

payment. Plaintiff agrees that, upon signing this Agreement, he will not submit a Request for Exclusion to the Settlement Administrator, or any other request to be excluded from the Settlement, and that any such Request for Exclusion by such Plaintiff will be void and of no force or effect. The Class Representative Service Payment is sought solely to compensate the Class Representative for time spent, effort undertaken, and risks assumed in prosecuting the Action.

Paragraph 5.2 of the Settlement Agreement is hereby amended and now reads as follows:

5.2 Release by Participating Class Members: As of the Effective Date and upon Defendant's full funding of the Gross Settlement Amount, Plaintiff and all Participating Class Members, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties, and each and all of them, from the Class Released Claims, as defined herein. The Class Released Claims include all claims, debts, liabilities, demands, actions, or causes of action under state, federal or local law, whether statutory, common law or administrative, that were alleged in the Operative Complaint, or reasonably could have been alleged based on the factual allegations contained in the Operative Complaint, including but not limited to all claims for failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties or premium wages; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to maintain accurate records, including payroll records; unfair business practices; declaratory relief; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs, and including all claims arising under the California Labor Code (including but not limited to Sections 200-204, 210, 216, 218.5, 218.6, 221, 223, 225.5, 226, 226.3, 226.7, 256, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2698 *et seq.,* and 2699 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code Section 17200, *et seq.*; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Section 11070; California Code of Civil Procedure, including but not limited to Section 1021.5; and the FLSA, 29 U.S.C. Section 201, *et seq.*. This release excludes the release of claims not permitted by law. The time frame of the Class Released Claims shall be the Class Period.

Paragraph 5.3 of the Settlement Agreement is hereby amended and now reads as follows:

5.3 Release by Aggrieved Employees: As of the Effective Date and upon Defendant's full funding of the Gross Settlement Amount, Plaintiff, the LWDA, and all Aggrieved Employees, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties from all claims and causes of action for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 (California Labor Code section 2698, *et seq.*) based on the facts and allegations pled in the Operative Complaint and/or PAGA Notice, including any and all claims involving any alleged failure to accurately pay for all hours worked, including minimum wages, straight-time compensation, overtime compensation, double-time compensation, and interest, payment for off-the-clock work, calculation of the regular rate of pay, failure to provide meal periods, failure to authorize and permit rest periods, failure to pay proper meal and rest period penalties or premium wages, failure to provide accurate wage statements, failure to timely pay all wages during employment, failure to pay all wages due at separation, failure to maintain accurate records, including records of hours worked and meal periods, failure to reimburse business expenses, and all claims for civil penalties available under PAGA arising under or based upon alleged violations of California Labor Code sections 201-203, 204, 210, 216, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.7, 256, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2698 et seq., 2699 et seq., 2699.3, 2802, and 2810.5, and any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission, and any other PAGA penalty claims whatsoever alleged in the Operative Complaint and/or PAGA Notice, whether known or unknown. Aggrieved Employees only release these claims for the duration of the PAGA Period.

Paragraph 7.6 of the Settlement Agreement is hereby amended and now reads as follows:

<u>7.6 Challenges to Calculation of Workweeks and/or Pay Periods</u>. Class Members will have the opportunity, should they disagree with the number of eligible Workweeks and/or Pay Periods with which they have been credited, as provided in their Class Notice, to dispute such information. All such disputes must be in writing, postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement Administrator, explaining the basis for the dispute and including any supporting documentation showing that the Workweeks and/or Pay Periods credited to him or her is inaccurate. Defendant's records will be presumed determinative, absent credible evidence to rebut the accuracy of the Workweeks and/or Pay Periods credited to a Class Member based thereon. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make an initial decision as to which figures should be applied. The Parties shall file with the court all disputes submitted by Class Members together with the evidence submitted by Class Members, and the decision made based on that evidence. Although the Settlement Administrator may make the initial decision regarding the dispute, the court may review any decision made by the Settlement Administrator regarding disputes.

Paragraph 12.20 of the Settlement Agreement is hereby amended and now reads as follows:

<u>12.20 Notice</u>. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Benjamin H. Haber (benjamin.haber@wilshirelawfirm.com)
Daniel J. Kramer (daniel.kramer@wilshirelawfirm.com)
Alan Wilcox (alan.wilcox@wilshirelawfirm.com)
Lucy Nguyen (lucy.nguyen@wilshirelawfirm.com)
Conor Gomez (conor.gomez@wilshirelawfirm.com
Wilshire Law Firm, PLC
660 S. Figueroa St., Sky Lobby,
Los Angeles, CA 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Greg S. Labate (glabate@sheppardmullin.com)
Lauren J. Blaes (lblaes@sheppardmullin.com)
Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626
Telephone: (714) 513-5100
Facsimile: (714) 513-5130

Exhibit 1 to the Settlement Agreement is replaced with the new **Exhibit 2** attached to this Amendment, which was revised to reflect the above-mentioned revisions in the Settlement Agreement and to make corrections and clarifications requested by the Court.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily execute this First Amendment to the Class Action and PAGA Settlement Agreement and Class Notice between Plaintiff and Defendant as set forth below.

PLAINTIFF:	DEFENDANT:
	RAINBOW SANDALS, INC.
DocuSigned by:	By:____________________
____________________ DCED087E82ED410...	Name: ____________________
OSCAR MEJORADO	Title: ____________________

To Plaintiff:

Benjamin H. Haber (benjamin.haber@wilshirelawfirm.com)
Daniel J. Kramer (daniel.kramer@wilshirelawfirm.com)
Alan Wilcox (alan.wilcox@wilshirelawfirm.com)
Lucy Nguyen (lucy.nguyen@wilshirelawfirm.com)
Conor Gomez (conor.gomez@wilshirelawfirm.com
Wilshire Law Firm, PLC
660 S. Figueroa St., Sky Lobby,
Los Angeles, CA 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Greg S. Labate (glabate@sheppardmullin.com)
Lauren J. Blaes (lblaes@sheppardmullin.com)
Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626
Telephone: (714) 513-5100
Facsimile: (714) 513-5130

Exhibit 1 to the Settlement Agreement is replaced with the new **Exhibit 2** attached to this Amendment, which was revised to reflect the above-mentioned revisions in the Settlement Agreement and to make corrections and clarifications requested by the Court.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily execute this First Amendment to the Class Action and PAGA Settlement Agreement and Class Notice between Plaintiff and Defendant as set forth below.

PLAINTIFF:	DEFENDANT:
	RAINBOW SANDALS, INC.
	By: Shannon L. Pate
	Name: SHANNON L PATE
OSCAR MEJORADO	Title: CFO

APPROVED AS TO FORM:

WILSHIRE LAW FIRM, PLC

By:______________________________
Benjamin H. Haber
Daniel J. Kramer
Alan Wilcox
Lucy Nguyen
Conor Gomez
Attorneys for Plaintiff

APPROVED AS TO FORM:

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ______________________________
Greg S. Labate
Lauren J. Blaes
Attorneys for Defendant

APPROVED AS TO FORM:

WILSHIRE LAW FIRM, PLC

By:______________________________
Benjamin H. Haber
Daniel J. Kramer
Alan Wilcox
Lucy Nguyen
Conor Gomez
Attorneys for Plaintiff

APPROVED AS TO FORM:

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ______________________________
Greg S. Labate
Lauren J. Blaes
Attorneys for Defendant

SECOND AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Second Amendment to the Class Action and PAGA Settlement Agreement and Class Notice ("Amendment") is entered into by and between Plaintiff Oscar Mejorado ("Plaintiff") and Defendant Rainbow Sandals, Inc. ("Defendant") (collectively, the "Parties"). The Parties hereby agree to amend the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement") executed by the Parties on or about March 20, 2025 as follows:

Paragraph 1.6 of the Settlement Agreement is hereby amended and now reads as follows:

> 1.6 "Class Counsel" means Benjamin H. Haber, Alan Wilcox, Lucy Nguyen, and Daniel J. Kramer of Wilshire Law Firm, PLC.

Paragraph 1.40 of the Settlement Agreement is hereby amended and now reads as follows:

> 1.40 "Released Parties" means: Defendant and each of its past, present and future employees, officers, directors, partners, shareholders, stockholders, parents, and subsidiaries.

Paragraph 1.42 of the Settlement Agreement is hereby amended and now reads as follows:

> 1.42 "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) exclude themselves from (opt out of) the Settlement ("Request for Exclusion"), (b) object to the class components of the Settlement ("Objection"), or (c) dispute the number of Workweeks and/or Pay Periods credited to them (Workweek Challenge"). As provided in the Class Notice, any such Request for Exclusion, Objection, or Workweek Challenge mailed to the Administrator, whether using the form(s) provided or not, must be signed by the Class Member and postmarked no later than the Response Deadline. Class Members to whom Class Notices are re-mailed after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline to submit a Request for Exclusion, Objection, or Workweek Challenge. Objections may also be made at the Final Approval Hearing.

Paragraph 3.2.1 of the Settlement Agreement is hereby amended and now reads as follows:

> 3.2.1 <u>To Plaintiff</u>: Class Representative Service Payment to the Class Representative of not more than $7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the difference in such amount will be added to the Net Settlement Amount. The

Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for all applicable taxes owed on the Class Representative Service Payment and shall hold harmless the Released Parties, and each of them, from any claim or liability for taxes, penalties or interest arising as a result of the payment. Plaintiff agrees that, upon signing this Agreement, he will not submit a Request for Exclusion to the Settlement Administrator, or any other request to be excluded from the Settlement, and that any such Request for Exclusion by such Plaintiff will be void and of no force or effect. The Class Representative Service Payment is sought solely to compensate the Class Representative for time spent, effort undertaken, and risks assumed in prosecuting the Action.

Paragraph 5.2 of the Settlement Agreement is hereby amended and now reads as follows:

5.2 Release by Participating Class Members: Upon Defendant's full funding of the Gross Settlement Amount (no later than 21 calendar days after the Effective Date), Plaintiff and all Participating Class Members, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties, and each and all of them, from the Class Released Claims, as defined herein. The Class Released Claims are the claims that were or reasonably could have been asserted in the lawsuit based on the facts alleged in the Operative Complaint. This release excludes the release of claims not permitted by law. The time frame of the Class Released Claims shall be the Class Period.

Paragraph 5.3 of the Settlement Agreement is hereby amended and now reads as follows:

5.3 Release by Aggrieved Employees: Upon Defendant's full funding of the Gross Settlement Amount (no later than 21 calendar days after the Effective Date), Plaintiff, the LWDA, and all Aggrieved Employees, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, are deemed to release and discharge the Released Parties from all claims for civil penalties available under PAGA based on the facts alleged in the Operative Complaint and the PAGA Notice. Aggrieved Employees only release these claims for the duration of the PAGA Period.

Paragraph 7.6 of the Settlement Agreement is hereby amended and now reads as follows:

7.6 Challenges to Calculation of Workweeks and/or Pay Periods. Class Members will have the opportunity, should they disagree with the number of eligible Workweeks and/or Pay Periods with which they have been credited, as provided in their Class Notice, to dispute such information. All such disputes must be in writing, postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement Administrator, explaining the basis for the dispute and including any supporting documentation showing that the Workweeks and/or Pay Periods credited to him or her is inaccurate. Defendant's records will be presumed determinative, absent credible evidence to rebut the accuracy of the Workweeks and/or Pay Periods credited to a Class Member based thereon. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make an initial decision as to which figures should be applied. The Parties shall file with the court all disputes submitted by Class Members together with the evidence submitted by Class Members, and the decision made based on that evidence. Although the Settlement Administrator may make the initial decision regarding the dispute, the court may review any decision made by the Settlement Administrator regarding disputes.

Paragraph 12.20 of the Settlement Agreement is hereby amended and now reads as follows:

12.20 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Benjamin H. Haber (benjamin.haber@wilshirelawfirm.com)
Daniel J. Kramer (daniel.kramer@wilshirelawfirm.com)
Alan Wilcox (alan.wilcox@wilshirelawfirm.com)
Wilshire Law Firm, PLC
660 S. Figueroa St., Sky Lobby,
Los Angeles, CA 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Greg S. Labate (glabate@sheppardmullin.com)
Lauren J. Blaes (lblaes@sheppardmullin.com)
Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626
Telephone: (714) 513-5100
Facsimile: (714) 513-5130

The Class Notice, attached as Exhibit 1 to the Settlement Agreement, is replaced with the revised Class Notice, attached as **Exhibit 3** to this Second Amendment to the Settlement Agreement, which reflects the above-mentioned revisions as requested by the Court.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily execute this Second Amendment to the Class Action and PAGA Settlement Agreement and Class Notice between Plaintiff and Defendant as set forth below.

[SIGNATURES ON NEXT PAGE]

PLAINTIFF:

Dated: 6/30/2026 By: DocuSigned by: DCED087F82ED410...
OSCAR MEJORADO

DEFENDANT:

Dated: ____________ By:____________________________
RAINBOW SANDALS, INC.

Name: ______________________________

Title: ______________________________

Approved as to form:

Dated: ____________ WILSHIRE LAW FIRM, PLC

By:_________________________________
Benjamin H. Haber
Daniel J. Kramer
Alan Wilcox
Lucy Nguyen

Attorneys for Plaintiff

Dated: ____________ SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ________________________________
Greg S. Labate
Lauren J. Blaes

Attorneys for Defendant

PLAINTIFF:

Dated: ____________ By: ____________________________
OSCAR MEJORADO

DEFENDANT:

Dated: 7.1.26 By: ____________________________
RAINBOW SANDALS, INC.

Name: Jay L Longley

Title: CEO

Approved as to form:

Dated: July 1, 2026

WILSHIRE LAW FIRM, PLC

By: ____________________________
Benjamin H. Haber
Daniel J. Kramer
Alan Wilcox
Lucy Nguyen

Attorneys for Plaintiff

Dated: July 1, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ____________________________
Greg S. Labate
Lauren J. Blaes
Lyle M. Chan

Attorneys for Defendant

EXHIBIT 2

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.

TO: All hourly-paid or non-exempt employees employed by Rainbow Sandals, Inc. within the State of California at any time between April 3, 2018, and December 31, 2023 ("Class Members").

The Superior Court of California, County of Orange, Department CX-105 with Honorable Melissa R. McCormick presiding has granted preliminary approval of a proposed settlement ("Settlement") in the case entitled *Oscar Mejorado v. Rainbow Sandals, Inc.*, Case No. 30-2022-01283098-CU-OE-CXC (the "Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action and PAGA Settlement ("Notice") carefully. The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

1. Why Have I Received This Notice?

A class and representative action settlement has been reached between Plaintiff Oscar Mejorado ("Plaintiff") and Defendant Rainbow Sandals, Inc. ("Rainbow Sandals") in the Action, which may affect your legal rights.

You are receiving this notice because Rainbow Sandals' records indicate that you worked for Rainbow Sandals as an hourly-paid or non-exempt employee within California for some time between April 3, 2018, and December 31, 2023 ("Class Period"). This means you are a potential Class Member, and you have a right to know about the proposed Settlement.

In addition, you are also an Aggrieved Employee if you are currently or were formerly employed as an hourly-paid or non-exempt employee of Rainbow Sandals within California at any time during the period from April 3, 2021, to December 31, 2023 ("PAGA Period").

This notice explains the Action, the proposed Settlement, your legal rights, what payments may be available, and how to get them.

2. What Is This Case About?

Plaintiff filed a proposed class and representative action, which alleges the following claims against Rainbow Sandals: (1) Failing to pay minimum and straight time wages; (2) Failing to pay overtime wages; (3) Failing to provide meal periods; (4) Failing to authorize and permit rest periods; (5) Failing to timely pay wages at termination; (6) Failing to provide accurate wage statements; (7) Failing to indemnify business expenses; (8) Unfair business practices; and (9) Civil Penalties under the Private Attorneys General Act ("PAGA"), Lab. Code § 2699 *et seq.*

Plaintiff sought unpaid wages, interest, and statutory and civil penalties, as well as attorneys' fees and costs. Rainbow Sandals denies each and every one of Plaintiff's allegations and believes that it has treated, and continues to treat, Class Members in accordance with applicable laws at all times. The Court has not made any decision on whether the claims in this lawsuit have merit.

3. What Is a Class Action?

A class action lawsuit is a legal proceeding where one or more persons sue not just for themselves, but for other people who have similar claims (forming a "class" or group of people).

4. Background of Settlement

The claims in this case are contested. Rainbow Sandals denies that it committed any wrongdoing. Plaintiff's lawyers have received sufficient information from Rainbow Sandals and reached a settlement with Rainbow Sandals after extensive arm's-length negotiations. Plaintiff and his lawyers believe the Settlement is in the best interests of the Class Members considering the uncertain outcome, and the risks, costs and time involved in further litigation, trial, and possible appeals.

5. What Are the Terms of the Proposed Settlement?

Rainbow Sandals has agreed to pay a total of $250,000.00 (the "Gross Settlement Amount") to settle this case. This money will be used to pay for Individual Class Payments to the Class Members, Individual PAGA Payments to Aggrieved Employees, Plaintiff's attorneys' fees and costs of litigation, a payment to the State of California Labor & Workforce Development Agency ("LWDA") for its share of penalties under PAGA, an enhancement award to Plaintiff for his service to the Class, and payment to the Settlement Administrator for calculating and distributing payments.

6. How Much Will My Settlement Payment Be?

If you are a Class Member, your share of the Gross Settlement Amount will be determined by comparing the number of Workweeks you worked as an hourly-paid, non-exempt employee of Rainbow Sandals to the total number of Workweeks worked by all members of the Class. If you are also an Aggrieved Employee, your share of the PAGA portion of the Gross Settlement Amount will be determined by comparing the number of PAGA Pay Periods you worked as an hourly-paid, non-exempt employee of Rainbow Sandals in the PAGA Period to the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. Specifically, the Settlement provides for a PAGA Penalties payment of $20,000.00, seventy-five percent (75%) of which ($15,000.00) will be paid to the LWDA and twenty-five percent (25%) of which ($5,000.00) shall be distributed on a pro rata basis to Aggrieved Employees.

Based on Rainbow Sandals' records, you worked ___ Workweeks during the Class Period and ___ PAGA Pay Periods during the PAGA Period. Based on this data, your ***estimated*** Individual Class Payment as a Class Member is $ _____ and ***estimated*** Individual PAGA Payment as an Aggrieved Employee is $ _____. This is just an estimate. Your final share will be determined by the Settlement Administrator.

Thirty-three percent (33%) of your Individual Class Payment as a Class Member will be allocated to settlement of wage claims. The wages portion of your Individual Class Payment as a Class Member will be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported on an IRS Form W-2. Thirty-three percent (33%) of your Individual Class Payment will be treated as penalties and thirty-four percent (34%) will be allocated as interest and fees. The penalties, interest, and fees portion of your Individual Class Payment will be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and will be paid pursuant to an IRS Form 1099.

One hundred percent (100%) of your Individual PAGA Payment as an Aggrieved Employee will be considered penalties, and you will be issued an IRS Form 1099 if your payment exceeds $600.00. You are responsible for paying any federal, state, or local taxes owed because of this payment.

7. When Will I Receive My Payment and What Do I Have To Do?

If the Court grants final approval of the Settlement and after any appeals are resolved, payments will be issued to Class Members who do not request exclusion and to all Aggrieved Employees. No action is required to receive payment. Settlement checks must be cashed within 180 calendar days from the date of issuance. Any check not cashed will be void after 180 days. If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

8. What if I Dispute the Information on My Workweeks or Pay Periods?

If you believe the information shown regarding your Workweeks and/or PAGA Pay Periods is incorrect, you may dispute it. This dispute must be submitted in writing, using the enclosed Workweek Challenge form or as a letter, postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement Administrator, explaining the basis for the dispute and including any supporting documentation showing that the Workweeks and/or PAGA Pay Periods credited to you is inaccurate. Any challenge must be postmarked by no later than __________.

The Settlement Administrator will presume that Rainbow Sandals' records are correct but may change your calculations after considering your evidence. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make an initial decision as to which figures should be applied. Although the Settlement Administrator may make the initial decision regarding the dispute, the court may review any decision made by the Settlement Administrator regarding disputes.

9. What Are My Legal Rights and Options Under the Settlement?

Do Nothing	If you do nothing, you will receive a payment under the Settlement if the Court finally approves the Settlement. You will release all claims covered by the Settlement. You do not have to do anything to receive a payment.
Request Exclusion from the Class Settlement	If you do <u>not</u> wish to participate in the Settlement, Class Members may submit a letter or the enclosed Opt-Out form to the Settlement Administrator indicating a request to be excluded from the Settlement ("Request for Exclusion"). If you request to be excluded, you will <u>NOT</u> be issued an Individual Class Payment, will not be bound by the Class portion of Settlement (and the Class Release described below), and will not have any right to object, appeal, or comment on the Settlement. A Request for Exclusion must be in writing and contain: (1) the case name and number of the Action (*Oscar Mejorado v. Rainbow Sandals, Inc.*, Case No. 30-2022-01283098-CU-OE-CXC); (2) your full name, current address, and last four digits of your Social Security Number; (3) a clear statement that you wish to be excluded from the Settlement; (4) your signature and date of signature; and (5) be returned by mail to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031, Tustin, CA 92781, postmarked on or before [Response Deadline]. You cannot opt out of the PAGA portion of the proposed Settlement. Aggrieved Employees will be bound to the PAGA portion of the Settlement (and the PAGA Release described below) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. You will be bound by

	the PAGA Release even if you do not cash your check.
Object to the Settlement	Class Members who do not submit a Request for Exclusion may object to the Settlement by submitting a written objection to the Settlement Administrator or presenting your objection at the Final Approval Hearing. If you choose to object to the Settlement, you must submit an objection in writing, using the enclosed Objection form or as a letter, that contains: (1) your full name, address, last four digits of your Social Security Number, and signature; (2) the case name and number of the Action (*Mejorado v. Rainbow Sandals, Inc.*, Case No. 30-2022-01283098-CU-OE-CXC); (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; and (4) whether you are represented by an attorney and the contact information of any such attorney. You must return your objection by mail to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031, Tustin, CA 92781, postmarked on or before [Response Deadline].

10. Who Is the Settlement Administrator?

The Settlement Administrator, ILYM Group, Inc., is a company hired by the Plaintiff and Rainbow Sandals to administer the Settlement. The Settlement Administrator's contact information is provided in Section 15, below.

The Settlement Administrator's duties include processing challenges, objections, and exclusions, making payments to the Class Members and Aggrieved Employees, and getting answers to any questions you may have. The costs of administering the Settlement will not exceed $4,995.00. This amount will be deducted from the Gross Settlement Amount for the Settlement Administrator's rendered services.

11. How Will the Lawyers and the Representative for the Class Be Paid?

The lawyers for Plaintiff will request Court approval for payment of attorneys' fees of up to $75,000 (30% of the total Gross Settlement Amount), plus reimbursement of actual litigation costs up to $15,000.00, to be proven at the time of the final approval hearing. The Court decides whether or not to award attorneys' fees or costs. The attorneys' fees are for all the legal services provided to Plaintiff and the Class.

The lawyers for Plaintiff will also ask the Court to approve a Class Representative Service Payment of up to $5,000.00 to Plaintiff for his time and willingness to accept the risks of bringing this case. This award would be in addition to the amount Plaintiff is owed under the Settlement as a Class Member and/or Aggrieved Employee.

12. Notice of Hearing on Final Approval and Objections to Class Action Settlement.

A Final Approval Hearing will be held before the Honorable Melissa R. McCormick on **December 10, 2026, at 2:00 p.m**. in Department CX-105 of the Orange County Superior Court, Civil Complex Center, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701 to determine whether the proposed Settlement is fair, just, reasonable, and adequate. The hearing may be continued without further notice.

You do not need to appear at this hearing unless you wish to object to the Settlement. If you have sent a written objection, you may appear at the hearing if you choose to do so.

13. What Is Being Released as Part of the Settlement?

Release by Participating Class Members: Upon Defendant's full funding of the Gross Settlement Amount (no later than 21 days after the Effective Date), Plaintiff and all Participating Class Members, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, shall fully and finally release and discharge the Released Parties, and each and all of them, from the Class Released Claims, as defined herein. The Class Released Claims are the claims that were or reasonably could have been asserted in the lawsuit based on the facts alleged in the Operative Complaint. This release excludes the release of claims not permitted by law. The time frame of the Class Released Claims shall be the Class Period.

Release by Aggrieved Employees: Upon Defendant's full funding of the Gross Settlement Amount (no later than 21 days after the Effective Date), Plaintiff, the LWDA, and all Aggrieved Employees, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, are deemed to release the Released Parties from all claims for civil penalties under PAGA based on the facts alleged in the Operative Complaint and the PAGA Notice. Aggrieved Employees only release these claims for the duration of the PAGA Period.

14. Can I Be Retaliated Against for Participating in the Settlement?

The law prohibits Rainbow Sandals from retaliating against employees for exercising their legal rights. Therefore, Rainbow Sandals cannot and will not fire you, demote you, harass you, classify you as ineligible for rehire, or retaliate against you in any other way because you choose to participate, in the Settlement, in whole or in part.

15. Getting More Information about the Settlement

This Notice contains a summary of the basic terms of the Settlement. The Settlement Administrator will post all key documents on its website at https://www.ilymgroup.com/cases, including the Settlement Agreement, the Operative Complaint, the PAGA Notice to the LWDA, and any amendments, the class notice and any enclosed forms, the orders granting preliminary and final approval, and the judgment. The judgment will be posted for at least 180 days. The pleadings and other records in this litigation, including the Settlement Agreement, may also be examined online on the Orange County Superior Court's Case Portal at https://www.occourts.org/online-services/case-access, using Case No. 30-2022-01283098-CU-OE-CXC.

For more information, or if you have any questions, you may contact:

The Attorneys Representing the Parties

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The Settlement Administrator

ILYM Group, Inc.
P.O. Box 2031

Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: claims@ilymgroup.com
http://www.ilymgroup.com

DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT.

Must Be Postmarked
No Later Than
[Response Deadline]

OBJECTION FORM

Mejorado v. Rainbow Sandals, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01283098-CU-OE-CXC

COMPLETE AND RETURN THIS FORM ONLY IF YOU WANT TO OBJECT TO THE SETTLEMENT IN THIS CASE.

DO NOT RETURN THIS FORM IF YOU WANT TO REQUEST EXCLUSION FROM THE SETTLEMENT.

IF YOU DO NOT HAVE ANY OBJECTIONS TO THE SETTLEMENT, DO NOT SUBMIT THIS FORM.

To object, you may complete, sign, and send this Objection Form to the Administrator by First Class U.S. Mail or equivalent, postage prepaid, postmarked on or before [**Response Deadline**], addressed as follows:

MAIL TO:
Mejorado v. Rainbow Sandals, Inc. Settlement
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

I want to OBJECT to the Settlement in this case. My objections to the Settlement are (use additional pages if needed):

____
____
____
____
____
____
____
____

Name: ____________________________________

Mailing Address:____

City: ________________________ State: _________ Zip Code: ______________

Telephone Number: __________________________

Date: _____________ ____________________________________
Signature

Must Be Postmarked
No Later Than
[Response Deadline]

OPT OUT FORM

Mejorado v. Rainbow Sandals, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01283098-CU-OE-CXC

COMPLETE THIS FORM IF YOU DO NOT WANT TO RECEIVE A SETTLEMENT PAYMENT AND BE BOUND BY THE SETTLEMENT

Instructions

You have the right to opt out (i.e., request exclusion) if you do not want to be part of the Class of the proposed Settlement. **If you fill out this Opt Out Form, you: (1) will not receive any money under the settlement of your claims as a Class Member;** and (2) will not be bound by the terms of this Settlement (other than terms relating to the release of claims under PAGA).

To opt out, you may complete, sign, and send this Opt Out form to the Administrator by First Class U.S. Mail or equivalent, postage prepaid, postmarked on or before [**Response Deadline**], addressed as follows:

MAIL TO:
Mejorado v. Rainbow Sandals, Inc. Settlement
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

By signing this Opt Out Form, I acknowledge that I have read the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice") in this case and the information in the Class Notice pertaining to my right to opt out of or object to certain portions of the proposed Settlement. I also acknowledge that I understand that **I will not receive any money** under the Settlement for my claims as a Class Member, and that I will not be bound by the terms of the Settlement, except for those terms that relate to claims for civil penalties under PAGA.

Name: ____

Mailing Address:____

City: __________________________ State: _________ Zip Code: ___________________

Telephone Number: _______________________

Date: _______________ ____
Signature

Must Be Postmarked
No Later Than
[Response Deadline]

WORKWEEK CHALLENGE FORM

Mejorado v. Rainbow Sandals, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01283098-CU-OE-CXC

COMPLETE AND RETURN THIS FORM ONLY IF YOU WANT TO DISPUTE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS.

DO NOT RETURN THIS FORM IF YOU WANT TO REQUEST EXCLUSION FROM THE SETTLEMENT OR OBJECT TO OTHER TERMS IN THE SETTLEMENT.

IF YOU DO NOT DISPUTE YOUR WORKWEEK OR PAY PERIOD CALCULATION, DO NOT SUBMIT THIS FORM.

To dispute your number of Workweeks and/or Pay Periods, you may complete, sign, and send this Workweek Challenge Form to the Administrator by First Class U.S. Mail or equivalent, postage prepaid, postmarked on or before [**Response Deadline**], addressed as follows:

MAIL TO:
Mejorado v. Rainbow Sandals, Inc. Settlement
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

I want to DISPUTE MY WORKWEEKS and/or PAY PERIODS as calculated in this case. My dispute(s) is/are as follows:

Start Date: ______________ End Date: ______________ Number of Workweeks: ____________

Start Date: ______________ End Date: ______________ Number of Pay Periods: ____________

Additional information in support of my dispute(s) (use additional pages if needed):

____
____
____
____

Name: ____________________________________

Mailing Address: ____

City: __________________ State: ________ Zip Code: _______________

Telephone Number: ________________________

Date: ______________________ ____
Signature

Questions? Call the Settlement Administrator toll free at (888) 250-6810
https://www.ilymgroup.com/cases